

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HOUSE BILL 2690

AN ACT

AMENDING SECTIONS 16-905, 16-913 AND 16-941, ARIZONA REVISED STATUTES;
REPEALING SECTION 16-944, ARIZONA REVISED STATUTES; AMENDING SECTIONS 16-952,
16-955, 16-956, 16-958, 16-959 AND 16-961, ARIZONA REVISED STATUTES; RELATING
TO THE CITIZENS CLEAN ELECTIONS ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 16-905, Arizona Revised Statutes, is amended to
3 read:

4 ~~16-905.~~ Contribution limitations: civil penalty: complaint

5 A. For an election other than for a statewide office, a contributor
6 shall not give and an exploratory committee, a candidate or a candidate's
7 campaign committee shall not accept contributions of more than:

8 1. FOR AN ELECTION FOR A LEGISLATIVE OFFICE, ~~Three~~ FOUR hundred
9 SIXTY-THREE dollars from an individual.

10 2. FOR AN ELECTION OTHER THAN FOR A LEGISLATIVE OFFICE, THREE HUNDRED
11 SEVENTY DOLLARS FROM AN INDIVIDUAL.

12 ~~2-~~ 3. FOR AN ELECTION FOR A LEGISLATIVE OFFICE, ~~Three~~ FOUR hundred
13 SIXTY-THREE dollars from a single political committee, excluding a political
14 party, not certified under subsection I of this section to make contributions
15 at the higher limits prescribed by paragraph ~~3-~~ 5 of this subsection and
16 subsection B, paragraph 3 of this section.

17 4. FOR AN ELECTION OTHER THAN FOR A LEGISLATIVE OFFICE, THREE HUNDRED
18 SEVENTY DOLLARS FROM A SINGLE POLITICAL COMMITTEE, EXCLUDING A POLITICAL
19 PARTY, NOT CERTIFIED UNDER SUBSECTION I OF THIS SECTION TO MAKE CONTRIBUTIONS
20 AT THE HIGHER LIMITS PRESCRIBED BY SUBSECTION B, PARAGRAPH 3 OF THIS SECTION.

21 ~~3-~~ 5. One thousand five hundred ten dollars from a single political
22 committee, excluding a political party, certified pursuant to subsection I of
23 this section.

24 B. For an election for a statewide office, a contributor shall not
25 give and an exploratory committee, a candidate or a candidate's committee
26 shall not accept contributions of more than:

27 1. Seven hundred sixty dollars from an individual.

28 2. Seven hundred sixty dollars from a single political committee,
29 excluding a political party, not certified under subsection I of this section
30 to make contributions at the higher limits prescribed by subsection A,
31 paragraph ~~3-~~ 5 OF THIS SECTION and paragraph 3 of this subsection.

32 3. Three thousand seven hundred ninety dollars from a single political
33 committee excluding political parties certified pursuant to subsection I of
34 this section.

35 C. A candidate shall not accept contributions from all political
36 committees, excluding political parties, combined totaling more than ~~seven~~
37 ~~thousand five hundred sixty:~~

38 1. FOR AN ELECTION FOR A LEGISLATIVE OFFICE, ELEVEN THOUSAND NINE
39 HUNDRED FORTY-FIVE dollars.

40 2. For an office other than a LEGISLATIVE OFFICE OR A statewide
41 office, ~~or~~ NINE THOUSAND FOUR HUNDRED SIXTY DOLLARS.

42 3. FOR A STATEWIDE OFFICE, seventy-five thousand six hundred ten
43 dollars ~~for a statewide office.~~

1 D. A nominee of a political party shall not accept contributions from
2 all political parties or political organizations combined totaling more than
3 seven thousand five hundred sixty dollars for an election for an office other
4 than a statewide office, and seventy-five thousand six hundred ten dollars
5 for an election for a statewide office.

6 E. An individual shall not make contributions totaling more than two
7 thousand eight hundred twenty dollars in a calendar year to state and local
8 candidates, political committees contributing to state or local candidates,
9 and political committees advocating the election or defeat of state or local
10 candidates. Contributions to political parties are exempt from the
11 limitations of this subsection.

12 F. The use of a candidate's personal monies is not subject to the
13 limitations of this section but affects the application of these limitations
14 to the candidate's opponents as follows:

15 1. For a candidate for an office other than a statewide office:

16 (a) If a candidate contributes or promises amounts of more than eleven
17 thousand eight hundred forty dollars of those personal monies, the candidate,
18 within twenty-four hours, excluding Saturdays, Sundays and other legal
19 holidays, shall give written notice by certified mail of the amount
20 contributed or promised as of the date of the notice to all other candidates
21 and the candidates' campaign committees for the same office at the address on
22 file with the filing officer and to the filing officer. Other candidates for
23 the same office and contributors to those candidates are not subject to the
24 limitations of subsections A, C and E of this section after receiving the
25 notice until these candidates receive contributions totaling the amount of
26 personal monies contributed or promised by the candidate giving this notice.

27 (b) For each additional accumulation of contributions or promises of
28 that candidate's personal monies that totals at least five thousand nine
29 hundred twenty dollars, the candidate, within twenty-four hours, excluding
30 Saturdays, Sundays and other legal holidays, shall give written notice by
31 certified mail of the amount contributed or promised as of the date of the
32 notice. The notice shall be given as prescribed in subdivision (a) of this
33 paragraph. Other candidates for the same office and contributors to those
34 candidates are not subject to the limitations of subsections A, C and E of
35 this section after receiving the notice until these candidates receive
36 contributions totaling the amount of personal monies contributed or promised
37 by the candidate giving this notice.

38 2. For a candidate for a statewide office:

39 (a) If a candidate contributes or promises amounts of more than
40 twenty-three thousand six hundred seventy dollars of those personal monies,
41 the candidate, within twenty-four hours, excluding Saturdays, Sundays and
42 other legal holidays, shall give written notice by certified mail of the
43 amount contributed or promised as of the date of the notice to all other
44 candidates and the candidates' campaign committees for the same office at the
45 address on file with the filing officer and to the secretary of state. Other

1 candidates for the same office and contributors to those candidates are not
2 subject to the limitations of subsections B, C and E of this section after
3 receiving the notice until these candidates receive contributions totaling
4 the amount of personal monies contributed or promised by the candidate giving
5 this notice.

6 (b) For each additional accumulation of contributions or promises of
7 that candidate's personal monies that totals at least eleven thousand eight
8 hundred forty dollars, the candidate, within twenty-four hours, excluding
9 Saturdays, Sundays and other legal holidays, shall give written notice of the
10 amount contributed or promised as of the date of the notice. The notice
11 shall be given as prescribed in subdivision (a) of this paragraph. Other
12 candidates for the same office and contributors to those candidates are not
13 subject to the limitations of subsections B, C and E of this section after
14 receiving the notice until these candidates receive contributions totaling
15 the amount of personal monies contributed or promised by the candidate giving
16 this notice.

17 3. If any notice prescribed by this subsection is not timely given the
18 other candidates are not subject to the limitations of subsections A, B and C
19 of this section for an additional five hundred ninety dollars for each day
20 the notice was delinquent.

21 4. Notwithstanding any other provision of this subsection, the amount
22 of contributions that a candidate may receive and that is not subject to the
23 limitations of subsections A, B and C of this section shall not be greater
24 than the largest amount of personal contributions, plus any additional
25 amounts due to delinquent notices, made by any other single candidate for the
26 same office.

27 G. The use of personal monies by an individual who designates an
28 exploratory committee is not subject to the limitations of this section but
29 is subject to the following:

30 1. If an individual who has designated a committee for other than
31 statewide office contributes or promises to the committee an amount of
32 personal monies that is more than eleven thousand eight hundred forty
33 dollars, the individual, within twenty-four hours excluding Saturdays,
34 Sundays and other legal holidays, shall give written notice by certified mail
35 of the amount contributed or promised as of the date of the notice to the
36 filing officer.

37 2. For each additional accumulation of contributions or promises of
38 the designating individual's personal monies that totals at least six
39 thousand dollars, the individual, within twenty-four hours, excluding
40 Saturdays, Sundays and other legal holidays, shall give written notice by
41 certified mail of the amount contributed or promised as of the date of the
42 notice to the filing officer.

43 3. If an individual who has designated a committee for statewide
44 office contributes or promises to the committee an amount of personal monies
45 that is more than twenty-three thousand six hundred seventy dollars, the

1 individual, within twenty-four hours, excluding Saturdays, Sundays and other
2 legal holidays, shall give written notice by certified mail of the amount
3 contributed or promised as of the date of the notice to the filing officer.

4 4. For each additional accumulation of contributions or promises of
5 the designating individual's personal monies that totals at least twelve
6 thousand dollars, the individual, within twenty-four hours, excluding
7 Saturdays, Sundays and other legal holidays, shall give written notice by
8 certified mail of the amount contributed or promised as of the date of the
9 notice to the filing officer.

10 H. A candidate's campaign committee or an individual's exploratory
11 committee shall not make a loan and shall not transfer or contribute money to
12 any other campaign or exploratory committee that is designated pursuant to
13 this chapter or 2 United States Code section 431 except as follows:

14 1. An exploratory committee may transfer monies to a subsequent
15 candidate's campaign committee of the individual designating the exploratory
16 committee, subject to the limits of subsection B of this section.

17 2. A candidate's campaign committee may transfer or contribute monies
18 to another campaign committee designated by the same candidate as follows:

19 (a) Subject to the contribution limits of this section, transfer or
20 contribute monies from one committee to another if both committees have been
21 designated for an election in the same year.

22 (b) Without application of the contribution limits of this section,
23 transfer or contribute monies from one committee to another designated for an
24 election in a subsequent year.

25 I. Only political committees that received monies from five hundred or
26 more individuals in amounts of ten dollars or more in the one year period
27 immediately before application to the secretary of state for qualification as
28 a political committee pursuant to this section may make contributions to
29 candidates under subsection A, paragraph ~~3~~ 5 of this section and subsection
30 B, paragraph 3 of this section. The secretary of state shall obtain
31 information necessary to make the determination that a committee meets the
32 requirements of this subsection and shall provide written certification of
33 the fact to the committee. A political committee certification is valid for
34 two years. A candidate's campaign committee shall not accept a contribution
35 pursuant to this subsection unless it is accompanied by a copy of the
36 certification. All political committees that do not meet the requirements of
37 this subsection are subject to the individual campaign contribution limits of
38 subsection A, ~~paragraph 1~~ PARAGRAPHS 1 AND 2 of this section and subsection
39 B, paragraph 1 of this section.

40 J. The secretary of state ~~shall,~~ biennially, ~~—~~ SHALL adjust to the
41 nearest ten dollars the amounts in subsections A through G of this section by
42 the percentage change in the consumer price index and publish the new amounts
43 for distribution to election officials, candidates and campaign committees.
44 ~~In~~ FOR THE PURPOSES OF this subsection, "consumer price index" means the
45 consumer price index for all urban consumers, United States city average,

1 that is published by the United States department of labor, bureau of labor
2 statistics.

3 K. The following specific limitations and procedures apply:

4 1. The limits of subsections A through D, F and G of this section
5 apply to each election for any office or offices which the candidate seeks.

6 2. The limits of subsections A, ~~through~~ B AND C of this section apply
7 to the total contributions from all separate segregated funds established, as
8 provided in section 16-920, by a corporation, labor organization, trade
9 association, cooperative or corporation without capital stock.

10 3. A contribution by an unemancipated minor child shall be treated as
11 a contribution by ~~his~~ THE CHILD'S custodial parent or parents for determining
12 compliance with subsection A, ~~paragraph 1~~ PARAGRAPHS 1 AND 2, subsection B,
13 paragraph 1, ~~and~~ and subsection E of this section.

14 4. A contribution by an individual or a single political committee to
15 two or more candidates in connection with a joint fund-raising effort shall
16 be divided among the candidates in direct proportion to each candidate
17 campaign committee's share of the expenses for the fund-raising effort.

18 5. A candidate shall sign and file with ~~his~~ THE CANDIDATE'S nomination
19 paper a statement that ~~he~~ THE CANDIDATE has read all applicable laws relating
20 to campaign financing and reporting.

21 6. An individual or political committee shall not use economic
22 influence to induce members of an organization to make contributions to a
23 candidate, collect contributions from members of an organization for
24 transmittal to a candidate, make payments to candidates for public
25 appearances or services which are ordinarily uncompensated or use any similar
26 device to circumvent any of the limitations of this section.

27 L. A person who violates this section is subject to a civil penalty
28 imposed as prescribed in section 16-924 of three times the amount of money
29 that has been received, expended or promised in violation of this section or
30 three times the value in money for an equivalent of money or other things of
31 value that have been received, expended or promised in violation of this
32 section.

33 M. Any qualified elector may file a sworn complaint with the attorney
34 general or the county attorney of the county in which a violation of this
35 section is believed to have occurred, and the attorney general or the county
36 attorney shall investigate the complaint for possible action.

37 N. If the filing officer, attorney general or county attorney fails to
38 institute an action within forty-five working days after receiving a
39 complaint under subsection M of this section, ~~then~~ the individual filing the
40 complaint may bring a civil action in ~~his~~ THE INDIVIDUAL'S own name and at
41 ~~his~~ THE INDIVIDUAL'S own expense, with the same effect as if brought by the
42 filing officer, attorney general or county attorney. The individual shall
43 execute a bond payable to the defendant if the individual fails to prosecute
44 the action successfully. The court shall award to the prevailing party costs
45 and reasonable attorney fees.

1 O. If a provision of this section or its application to any person or
2 circumstance is held invalid, the invalidity does not affect other provisions
3 or applications of the section which can be given effect without the invalid
4 provision or application, and to this end the provisions of this section are
5 severable.

6 P. If any notice prescribed by subsection F or G of this section is
7 not given in a timely manner, the designating individual, in the case of an
8 exploratory committee, or the candidate, in the case of a candidate's
9 campaign committee, is subject to a civil penalty of three times the amount
10 of personal monies that were contributed, expended or promised in violation.
11 The civil penalty shall be imposed as prescribed by section 16-924.

12 Sec. 2. Section 16-913, Arizona Revised Statutes, is amended to read:

13 16-913. Campaign finance reports; reporting of receipts and
14 disbursements; exemptions; twenty-four hour reports;
15 civil penalty

16 A. Except as provided in subsection K of this section, each political
17 committee shall file campaign finance reports setting forth the committee's
18 receipts and disbursements according to the schedule prescribed in
19 subsections B and C of this section.

20 B. In any calendar year during which there is a regularly scheduled
21 election at which any candidates, measures, questions or propositions appear
22 or may appear on the ballot, the political committee shall file each of the
23 following campaign finance reports:

24 1. A report covering the period beginning January 1 through May 31,
25 filed no later than June 30.

26 2. A preelection report, which shall be filed not less than twelve
27 days before any election and which shall be complete through the twentieth
28 day before the election.

29 3. A postelection report, which shall be filed not more than thirty
30 days after any election and which shall be complete through the twentieth day
31 after the election.

32 C. In any other calendar year, the political committee shall file a
33 report covering the period beginning twenty-one days after the date of the
34 election in the preceding calendar year through December 31 of the
35 nonelection year filed no later than January 31 of the following calendar
36 year.

37 D. In the event that a political committee receives no contributions
38 and makes no expenditures during a period in which it is required to file a
39 campaign finance report, the committee treasurer or if the treasurer is
40 unavailable the candidate, in lieu of filing a report required by subsection
41 B of this section, may sign and file a form prescribed by the secretary of
42 state indicating no activity during the specific reporting period.

43 E. In lieu of the reports prescribed in subsections B and C of this
44 section, a candidate's political committee that remains active after an
45 election due to outstanding debts may file a document no later than January

1 31 in a form prescribed by the secretary of state that states that the
2 committee does not intend to receive any contributions or make any
3 expenditures during the year. If a candidate's political committee does
4 receive a contribution or make an expenditure during that year, the committee
5 shall report as prescribed by subsection B or C of this section.

6 F. A judge who has filed a declaration of the desire to be retained in
7 office is exempt from filing any report required by this section if the
8 judge, not later than twelve days before the general election, files a
9 statement signed and sworn to by the judge certifying that the judge has
10 received no contributions, has made no expenditures and has no campaign
11 committee and that the judge does not intend to receive contributions, make
12 expenditures or have a campaign committee for the purpose of influencing the
13 result of the vote on the question of the judge's retention. With respect to
14 superior court judges, a statement filed pursuant to this subsection is
15 effective until the earlier of twelve days before the third general election
16 following the filing of this statement or the judge receives contributions,
17 makes expenditures or authorizes a campaign committee. Such a statement
18 filed by a supreme court justice or a court of appeals judge is effective
19 until the earlier of twelve days before the fourth general election following
20 the filing of this statement or the justice or judge receives contributions,
21 makes expenditures or authorizes a campaign committee.

22 G. Reports in connection with special or recall elections shall
23 conform to the filing deadlines set forth in subsection B of this section.

24 H. Except as provided in section 16-916, subsection B and subsection K
25 of this section, a political committee shall comply with the requirements of
26 this section in each jurisdiction in this state in which the committee has
27 filed a statement of organization until the committee terminates pursuant to
28 section 16-914, and its statements, designations and reports shall be filed
29 with each officer with whom it has filed a statement of organization, as
30 appropriate.

31 I. Each report required to be filed pursuant to this section shall be
32 signed by the committee treasurer or the candidate or the designating
33 individual if the treasurer is unavailable and shall contain the
34 certification of the signer under penalty of perjury that the report is true
35 and complete.

36 J. A political committee and the candidate, in the case of a
37 candidate's campaign committee, or the designating individual, in the case of
38 an exploratory committee, who violate this section are subject to the penalty
39 prescribed in section 16-918.

40 K. A standing political committee shall file reports with the
41 secretary of state and is exempt from filing a report with any other
42 jurisdiction in which it is active. The reports shall be in an electronic
43 format as prescribed by the secretary of state and shall be filed by delivery
44 of a computer diskette or cd-rom that contains the report or by use of the
45 internet. The secretary of state shall promptly make the reports available

1 to the public on the internet and on paper by request. The standing
2 committee shall file the following reports:

3 1. A preelection report that is due as prescribed by subsection B,
4 paragraph 2 of this section shall be filed for each consolidated election
5 date prescribed by section 16-204.

6 2. A postelection report that is due as prescribed by subsection B,
7 paragraph 3 of this section shall be filed for each consolidated election
8 date prescribed by section 16-204.

9 3. An annual report that is due by January 31 in the year immediately
10 following the calendar year that is the subject of the report.

11 L. FOR ANY CANDIDATE CAMPAIGN COMMITTEE THAT IS REQUIRED TO FILE WITH
12 THE SECRETARY OF STATE, THE COMMITTEE SHALL REPORT WITHIN TWO BUSINESS DAYS
13 ANY CONTRIBUTION RECEIVED BY THAT COMMITTEE FROM A SINGLE POLITICAL COMMITTEE
14 THAT IS NOT A POLITICAL PARTY, AND THE SECRETARY OF STATE SHALL MAKE THAT
15 REPORT PUBLICLY AVAILABLE ON THE SECRETARY OF STATE'S WEBSITE AS SOON AS
16 PRACTICABLE. THIS SUBSECTION APPLIES TO CONTRIBUTIONS FROM THOSE POLITICAL
17 COMMITTEES THAT ARE CERTIFIED PURSUANT TO SECTION 16-905, SUBSECTION I TO
18 MAKE CONTRIBUTIONS AT HIGHER LIMITS AND TO POLITICAL COMMITTEES THAT ARE NOT
19 SO CERTIFIED.

20 Sec. 3. Subject to the requirements of article IV, part 1, section 1,
21 Constitution of Arizona, section 16-941, Arizona Revised Statutes, is amended
22 to read:

23 16-941. Limits on spending and contributions for political
24 campaigns

25 A. Notwithstanding any law to the contrary, a participating candidate:

26 1. Shall not accept any contributions, other than a limited number of
27 five-dollar qualifying contributions as specified in section 16-946 and early
28 contributions as specified in section 16-945, except in the emergency
29 situation specified in section 16-954, subsection F.

30 2. Shall not make expenditures of more than a total of five hundred
31 dollars of the candidate's personal monies for a candidate for THE
32 legislature or more than one thousand dollars for a candidate for statewide
33 office.

34 3. Shall not make expenditures in the primary election period in
35 excess of the adjusted primary election spending limit.

36 4. Shall not make expenditures in the general election period in
37 excess of the adjusted general election spending limit.

38 5. Shall comply with section 16-948 regarding campaign accounts and
39 section 16-953 regarding returning unused monies to the citizens clean
40 ~~election~~ ELECTIONS fund described in this article.

41 B. Notwithstanding any law to the contrary, a nonparticipating
42 candidate:

43 1. Shall not accept contributions in excess of an amount that is
44 twenty ~~percent~~ PER CENT less than the limits specified in section 16-905,
45 subsections A through G, as adjusted by the secretary of state pursuant to

1 section 16-905, subsection J. Any violation of this paragraph shall be
2 subject to the civil penalties and procedures set forth in section 16-905,
3 subsections L through P and section 16-924.

4 2. Shall comply with section 16-958 regarding reporting, including
5 filing reports with the secretary of state indicating whenever (A)
6 expenditures other than independent expenditures on behalf of the candidate,
7 from the beginning of the election cycle to any date up to primary election
8 day, exceed seventy ~~percent~~ PER CENT of the original primary election
9 spending limit applicable to a participating candidate seeking the same
10 office, or (B) contributions to a candidate, from the beginning of the
11 election cycle to any date during the general election period, less
12 expenditures made from the beginning of the election cycle through primary
13 election day, exceed seventy ~~percent~~ PER CENT of the original general
14 election spending limit applicable to a participating candidate seeking the
15 same office. A NONPARTICIPATING CANDIDATE IS EXEMPT FROM THIS PARAGRAPH IF
16 THERE IS NO PARTICIPATING CANDIDATE RUNNING AGAINST THAT NONPARTICIPATING
17 CANDIDATE.

18 C. Notwithstanding any law to the contrary, a candidate, whether
19 participating or nonparticipating:

20 1. If ~~and only if~~ specified in a written agreement signed by the
21 candidate and one or more opposing candidates and filed with the citizens
22 clean elections commission, shall not make any expenditure in the primary or
23 general election period exceeding an agreed-upon amount lower than spending
24 limits otherwise applicable by statute.

25 2. Shall continue to be bound by all other applicable election and
26 campaign finance statutes and rules, with the exception of those provisions
27 in express or clear conflict with ~~the provisions of~~ this article.

28 D. Notwithstanding any law to the contrary, any person who makes
29 independent expenditures related to a particular office cumulatively
30 exceeding five hundred dollars in an election cycle, with the exception of
31 any expenditure listed in section 16-920 and any independent expenditure by
32 an organization arising from a communication directly to the organization's
33 members, shareholders, employees, affiliated persons, ~~and~~ subscribers, shall
34 file reports with the secretary of state in accordance with section 16-958 so
35 indicating, identifying the office and the candidate or group of candidates
36 whose election or defeat is being advocated, ~~and~~ stating whether the person
37 is advocating election or advocating defeat.

38 Sec. 4. Repeal

39 Subject to the requirements of article IV, part 1, section 1,
40 Constitution of Arizona, section 16-944, Arizona Revised Statutes, is
41 repealed.

1 Sec. 5. Subject to the requirements of article IV, part 1, section 1,
2 Constitution of Arizona, section 16-952, Arizona Revised Statutes, is amended
3 to read:

4 16-952. Equal funding of candidates

5 A. Whenever during a primary election period a report is filed, or
6 other information comes to the attention of the commission, indicating that a
7 nonparticipating candidate who is not unopposed in that primary has made
8 expenditures during the election cycle to date exceeding the original primary
9 election spending limit, including any previous adjustments, the commission
10 shall immediately pay from the fund to the campaign account of any
11 participating candidate in the same party primary as the nonparticipating
12 candidate an amount equal to any excess of the reported amount over the
13 primary election spending limit, ~~as previously adjusted, and~~ LESS FIVE PER
14 CENT FOR A NONPARTICIPATING CANDIDATE'S FUND-RAISING EXPENSES AND LESS THE
15 AMOUNT OF EARLY CONTRIBUTIONS RAISED FOR THAT PARTICIPATING CANDIDATE FOR
16 THAT OFFICE AS PRESCRIBED BY SECTION 16-945. The primary election spending
17 limit for all such participating candidates shall be adjusted by increasing
18 it by the amount that the commission is obligated to pay to a participating
19 candidate.

20 B. Whenever during a general election period a report has been filed,
21 or other information comes to the attention of the commission, indicating
22 that the amount a nonparticipating candidate who is not unopposed has
23 received in contributions during the election cycle to date less the amount
24 of expenditures the nonparticipating candidate made through the end of the
25 primary election period exceeds the original general election spending limit,
26 including any previous adjustments, the commission shall immediately pay from
27 the fund to the campaign account of any participating candidate qualified for
28 the ballot and seeking the same office as the nonparticipating candidate an
29 amount equal to any excess of the reported difference over the general
30 election spending limit, as previously adjusted, ~~and~~ LESS FIVE PER CENT FOR A
31 NONPARTICIPATING CANDIDATE'S FUND-RAISING EXPENSES. The general election
32 spending limit for all such participating candidates shall be adjusted by
33 increasing it by the amount that the commission is obligated to pay to a
34 participating candidate.

35 C. For THE purposes of subsections A and B of this section, the
36 following expenditures reported pursuant to this article shall be treated as
37 follows:

38 1. Independent expenditures against a participating candidate shall be
39 treated as expenditures of each opposing candidate, for THE purpose of
40 subsection A of this section, or contributions to each opposing candidate, ~~or~~
41 FOR THE purpose of subsection B of this section.

42 2. Independent expenditures in favor of one or more nonparticipating
43 opponents of a participating candidate shall be treated as expenditures of
44 those nonparticipating candidates, for THE purpose of subsection A of this

section, or contributions to those nonparticipating candidates, for THE purpose of subsection B of this section.

3. Independent expenditures in favor of a participating candidate shall be treated, for every opposing participating candidate, as though the independent expenditures were an expenditure of a nonparticipating opponent, for THE purpose of subsection A of this section, or a contribution to a nonparticipating opponent, for THE purpose of subsection B of this section.

4. Expenditures made during the primary election period by or on behalf of an independent candidate or a nonparticipating candidate who is unopposed in a party primary, shall be ~~treated as though made during the general election period, and~~ DEDUCTED FROM THE TOTAL AMOUNT OF MONIES RAISED FOR PURPOSES OF DETERMINING THE AMOUNT OF EQUALIZING FUNDS, UP TO THE AMOUNT OF PRIMARY FUNDS RECEIVED BY THE PARTICIPATING CANDIDATE. Equalizing funds pursuant to subsection B of this section shall THEN be CALCULATED AND paid at the start of the general election period.

5. Expenditures made before the general election period that consist of a contract, promise, or agreement to make an expenditure during the general election period resulting in an extension of credit shall be treated as though made during the general election period, and equalizing funds pursuant to subsection B of this section shall be paid at the start of the general election period.

6. Expenditures for or against a participating candidate promoting or opposing more than one candidate who ~~are~~ IS not running for the same office shall be allocated by the commission among candidates for different offices based on the relative size or length and relative prominence of the reference to candidates for different offices.

D. Upon applying for citizen funding pursuant to section 16-950, a participating candidate for THE legislature in a one-party-dominant legislative district who is qualified for clean campaign funding for the party primary election of the dominant party may choose to reallocate a portion of funds from the general election period to the primary election period. At the beginning of the primary election period, the commission shall pay from the fund to the campaign account of a participating candidate who makes this choice an extra amount equal to fifty ~~percent~~ PER CENT of the original primary election spending limit, and the original primary election spending limit for the candidate who makes this choice shall be increased by the extra amount. For a primary election in which one or more participating candidates have made this choice, funds shall be paid under subsections A and B of this section only to the extent of any excess over the original primary election spending limit as so increased. If a participating candidate who makes this choice becomes qualified for clean campaign funding for the general election, the amount the candidate receives at the beginning of the general election period shall be reduced by the extra amount received at the beginning of the primary election period, and the original general election spending limit for that candidate shall be reduced by the extra amount. For

1 a general election in which a participating candidate has made this choice,
 2 funds shall be paid under subsections A and B of this section only to the
 3 extent of any excess over the original general election spending limit,
 4 without such reduction, unless the candidate who has made this choice is the
 5 only participating candidate in the general election, in which case such
 6 funds shall be paid to the extent of excess over the original general
 7 election spending limit with such reduction. For THE purpose of this
 8 subsection, a one-party-dominant legislative district is a district in which
 9 the number of registered voters registered in the party with the highest
 10 number of registered voters exceeds the number of registered voters
 11 registered to each of the other parties by an amount at least as high as ten
 12 ~~percent~~ PER CENT of the total number of voters registered in the district.
 13 The status of a district as a one-party-dominant legislative district shall
 14 be determined as of the beginning of the qualifying period.

15 E. If an adjusted spending limit reaches three times the original
 16 spending limit for a particular election, ~~then~~ the commission shall not pay
 17 any further amounts from the fund to the campaign account of any
 18 participating candidate, and the spending limit shall not be adjusted
 19 further.

20 Sec. 6. Subject to the requirements of article IV, part 1, section 1,
 21 Constitution of Arizona, section 16-955, Arizona Revised Statutes, is amended
 22 to read:

23 16-955. Citizens clean elections commission; structure

24 A. The citizens clean elections commission is established consisting
 25 of five members. No more than two members of the commission shall be members
 26 of the same political party. No more than two members of the commission
 27 shall be residents of the same county. No one shall be appointed as a member
 28 who does not have a registration pursuant to chapter 1 of this title that has
 29 been continuously recorded for at least five years immediately preceding
 30 appointment with the same political party or as an independent.

31 B. The ~~commission on appellate court appointments shall nominate~~
 32 candidates for vacant commissioner positions SHALL BE PERSONS who are
 33 committed to enforcing this article in an honest, independent, and impartial
 34 fashion and to seeking to uphold public confidence in the integrity of the
 35 electoral system. Each candidate shall be a qualified elector who has not,
 36 in the previous five years in this state, been appointed to, been elected
 37 to, or run for any public office, including precinct committeeman, or served
 38 as an officer of a political party.

39 C. Initially, the commission on appellate court appointments shall
 40 nominate five slates, each having three candidates, before January 1, 1999.
 41 No later than February 1, 1999, the governor shall select one candidate from
 42 one of the slates to serve on the commission for a term ending January 31,
 43 2004. Next, the highest-ranking official holding a statewide office who is
 44 not a member of the same political party as the governor shall select one
 45 candidate from another one of the slates to serve on the commission for a

1 term ending January 31, 2003. Next, the second-highest-ranking official
 2 holding a statewide office who is a member of the same political party as the
 3 governor shall select one candidate from one of the three remaining slates to
 4 serve on the commission for a term ending January 31, 2002. Next, the
 5 second-highest-ranking official holding a statewide office who is not a
 6 member of the same political party as the governor shall select one candidate
 7 from one of the two remaining slates to serve on the commission for a term
 8 ending January 31, 2001. Finally, the third-highest-ranking official holding
 9 a statewide office who is a member of the same political party as the
 10 governor shall elect one candidate from the last slate to serve on the
 11 commission for a term ending January 31, 2000. For ~~purpose~~ **THE PURPOSES** of
 12 this section, the ranking of officials holding statewide office shall be
 13 governor, secretary of state, attorney general, treasurer, superintendent of
 14 public instruction, corporation commissioners in order of seniority, mine
 15 inspector, ~~the members of the supreme court in order of seniority,~~ senate
 16 majority and minority leaders, and house majority and minority leaders.

17 D. One commissioner shall be appointed for a five-year term beginning
 18 February 1 of every year beginning with the year 2000. ~~The commission on~~
 19 ~~appellate court appointments shall nominate one slate of three candidates~~
 20 Before ~~January~~ **FEBRUARY** 1 of each year beginning in the year 2000, and the
 21 governor and the highest-ranking official holding a statewide office who is
 22 not a member of the same political party as the governor shall alternate
 23 filling such vacancies. The vacancy in the year 2000 shall be filled by the
 24 governor.

25 E. Members of the commission may be removed by the governor, with
 26 concurrence of the senate, for substantial neglect of duty, gross misconduct
 27 in office, inability to discharge the powers and duties of office, or
 28 violation of this section, after written notice and opportunity for a
 29 response.

30 F. If a commissioner does not complete ~~his or her~~ **THE COMMISSIONER'S**
 31 term of office for any reason, ~~the commission on appellate court appointments~~
 32 ~~shall nominate one slate of three candidates as soon as possible in the first~~
 33 ~~thirty days after the commissioner vacates his or her office and a~~
 34 replacement shall be selected ~~from the slate~~ within thirty days ~~of nomination~~
 35 ~~of the slate~~ **AFTER THE VACANCY OCCURS**. The highest-ranking official holding
 36 a statewide office who is a member of the political party of the official who
 37 nominated the commissioner who vacated office shall nominate the replacement,
 38 who shall serve as commissioner for the unexpired portion of the term. A
 39 vacancy or vacancies shall not impair the right of the remaining members to
 40 exercise all of the powers of the board.

41 G. Commissioners are eligible to receive compensation in an amount of
 42 two hundred dollars for each day on which the commission meets and
 43 reimbursement of expenses pursuant to title 38, chapter 4, article 2.

1 H. The commissioners shall elect a chair to serve for each
2 calendar-year period from among their members whose terms expire after the
3 conclusion of that year. Three commissioners shall constitute a quorum.

4 I. A member of the commission shall serve no more than one term and is
5 not eligible for reappointment. No commissioner, during ~~his or her~~ THE
6 COMMISSIONER'S tenure or for three years thereafter, shall seek or hold any
7 other public office, serve as an officer of any political committee, or
8 employ or be employed as a lobbyist.

9 J. The commission shall appoint an executive director who shall not be
10 a member of the commission and who shall serve at the pleasure of the
11 commission. The executive director is eligible to receive compensation set
12 by the board within the range determined under section 38-611. The executive
13 director, subject to title 41, chapter 4, articles 5 and 6, shall employ,
14 determine the conditions of employment, and specify the duties of
15 administrative, secretarial, and clerical employees as the director deems
16 necessary.

17 Sec. 7. Subject to the requirements of article IV, part 1, section 1,
18 Constitution of Arizona, section 16-956, Arizona Revised Statutes, is amended
19 to read:

20 16-956. Voter education and enforcement duties

21 A. The commission shall:

22 1. Develop a procedure for publishing a document or section of a
23 document having a space of predefined size for a message chosen by each
24 candidate. For the document that is mailed before the primary election, the
25 document shall contain the names of every candidate for every statewide and
26 legislative district office in that primary election without regard to
27 whether the candidate is a participating candidate or a nonparticipating
28 candidate. For the document that is mailed before the general election, the
29 document shall contain the names of every candidate for every statewide and
30 legislative district office in that general election without regard to
31 whether the candidate is a participating candidate or a nonparticipating
32 candidate. The commission shall mail one copy of each document to every
33 household that contains a registered voter. For the document that is mailed
34 before the primary election, the mailing may be made over a period of days
35 but shall be mailed in order to be delivered to households before the
36 earliest date for receipt by registered voters of any requested early ballots
37 for the primary election. The commission may mail the second document over a
38 period of days but shall mail the second document in order to be delivered to
39 households before the earliest date for receipt by registered voters of any
40 requested early ballots for the general election. The primary election and
41 general election documents published by the commission shall comply with all
42 of the following:

43 (a) For any candidate who does not submit a message pursuant to this
44 paragraph, the document shall include with the candidate's listing the words
45 "no statement submitted".

1 (b) The document shall have printed on its cover the words "citizens
2 clean elections commission voter education guide" and the words "primary
3 election" or "general election" and the applicable year. The document shall
4 also contain at or near the bottom of the document cover in type that is no
5 larger than one-half the size of the type used for "citizens clean elections
6 commission voter education guide" the words "paid for by the citizens clean
7 elections fund".

8 (c) In order to prevent voter confusion, the document shall be easily
9 distinguishable from the publicity pamphlet that is required to be produced
10 by the secretary of state pursuant to section 19-123.

11 2. Sponsor debates among candidates, in such manner as determined by
12 the commission. The commission shall require participating candidates to
13 attend and participate in debates and may specify by rule penalties for
14 nonparticipation. The commission shall invite and permit nonparticipating
15 candidates to participate in debates.

16 3. Prescribe forms for reports, statements, notices and other
17 documents required by this article. FOR ANY SOFTWARE OR OTHER ELECTRONIC
18 MEDIA, THE COMMISSION SHALL ENSURE THAT ITS SOFTWARE IS FULLY COMPATIBLE WITH
19 THAT USED BY THE OFFICE OF THE SECRETARY OF STATE.

20 4. Prepare and publish instructions setting forth methods of
21 bookkeeping and preservation of records to facilitate compliance with this
22 article and explaining the duties of persons and committees under this
23 article.

24 5. Produce a yearly report describing the commission's activities and
25 any recommendations for changes of law, administration or funding amounts and
26 accounting for monies in the fund.

27 6. Adopt rules to implement the reporting requirements of section
28 16-958, subsections D and E.

29 7. Enforce ~~the provisions of~~ this article, ensure that money from the
30 fund is placed in candidate campaign accounts or otherwise spent as specified
31 in this article and not otherwise, monitor reports filed pursuant to this
32 chapter and financial records of candidates as needed to ensure that
33 equalization monies are paid promptly to opposing qualified candidates under
34 section 16-952 and ensure that money required by this article to be paid to
35 the fund is deposited in the fund. THE COMMISSION SHALL NOT TAKE ACTION ON
36 ANY EXTERNAL COMPLAINT THAT IS FILED MORE THAN TWO YEARS AFTER THE DATE OF
37 THE ELECTION TO WHICH THE COMPLAINT RELATES.

38 B. The commission may subpoena witnesses, compel their attendance and
39 testimony, administer oaths and affirmations, take evidence and require by
40 subpoena the production of any books, papers, records or other items material
41 to the performance of the commission's duties or the exercise of its powers.

42 C. The commission may adopt rules to carry out the purposes of this
43 article and to govern procedures of the commission. Commission rule making
44 is exempt from title 41, chapter 6, article 3, ~~except that the commission~~
45 ~~shall submit the rules for publication and the secretary of state shall~~

~~publish the rules in the Arizona administrative register.~~ The commission shall propose and adopt rules in public meetings, with at least sixty days allowed for interested parties to comment after the rules are proposed. ~~THE COMMISSION SHALL ALSO FILE A NOTICE OF EXEMPT RULE MAKING AND THE PROPOSED RULE IN THE FORMAT PRESCRIBED IN SECTION 41-1022 WITH THE SECRETARY OF STATE'S OFFICE FOR PUBLICATION IN THE ARIZONA ADMINISTRATIVE REGISTER. AFTER CONSIDERATION OF THE COMMENTS RECEIVED IN THE SIXTY DAY COMMENT PERIOD, THE COMMISSION MAY ADOPT THE RULE IN AN OPEN MEETING. ANY RULES GIVEN FINAL APPROVAL IN AN OPEN MEETING SHALL BE FILED IN THE FORMAT PRESCRIBED IN SECTION 41-1022 WITH THE SECRETARY OF STATE'S OFFICE FOR PUBLICATION IN THE ARIZONA ADMINISTRATIVE REGISTER.~~

D. Based on the results of the elections in the year 2002 or any quadrennial election thereafter, and within six months after such election, the commission may adopt rules changing the number of qualifying contributions required for any office from those listed in section 16-950, subsection D, by no more than twenty per cent of the number applicable for the preceding election.

Sec. 8. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 16-958, Arizona Revised Statutes, is amended to read:

16-958. Manner of filing reports

A. Any person who has previously reached the dollar amount specified in section 16-941, subsection D for filing an original report shall file a supplemental report each time previously unreported independent expenditures specified by that subsection exceeds one thousand dollars. Any person who has previously reached the dollar amounts specified in section 16-941, subsection B, paragraph 2 for filing an original report shall file a supplemental report to declare that previously unreported expenditures or contributions specified by that paragraph exceed ~~(1) ten percent~~ ~~PER CENT~~ of the original primary election spending limit or twenty-five thousand dollars, whichever is lower, before the general election period, or ~~(2) ten percent~~ ~~PER CENT~~ of the original general election spending limit or twenty-five thousand dollars, whichever is lower, during the general election period. Such reports shall be filed at the times specified in subsection B of this section and shall identify the dollar amount being reported, the candidate, ~~and the date~~ ~~AND NO OTHER DETAIL IS REQUIRED IN REPORTS MADE PURSUANT TO THIS SECTION. THE COMMISSION MAY REQUEST FROM TIME TO TIME THAT ADDITIONAL DETAIL BE PROVIDED, AND ON REQUEST THE PARTICIPATING CANDIDATE SHALL PROVIDE THE INFORMATION.~~

B. Any person who must file an original report pursuant to section 16-941, subsection B, paragraph 2 or subsection D, ~~or who must file a supplemental report for previously unreported amounts pursuant to subsection A of this section,~~ shall file as follows:

1. Before the beginning of the primary election period, the person shall file a report on the first of each month, unless the person has not

1 reached the dollar amount for filing an original or supplemental report on
2 that date.

3 2. Thereafter, except as stated in paragraph 3 of this subsection, the
4 person shall file a report on any Tuesday by which the person has reached the
5 dollar amount for filing an original or supplemental report.

6 3. During the last two weeks before the primary election and the last
7 two weeks before the general election, the person shall file a report within
8 one business day of reaching the dollar amount for filing an original or
9 supplemental report.

10 C. Any filing under this article on behalf of a candidate may be made
11 by the candidate's campaign committee. All candidates shall deposit any
12 check received by and intended for the campaign and made payable to the
13 candidate or the candidate's campaign committee, and all cash received by and
14 intended for the campaign, in the candidate's campaign account before the due
15 date of the next report specified in subsection B of this section. No
16 candidate or person acting on behalf of a candidate shall conspire with a
17 donor to postpone delivery of a donation to the campaign for the purpose of
18 postponing the reporting of the donation in any subsequent report.

19 D. The secretary of state shall immediately notify the commission of
20 the filing of each report under this section and deliver a copy of the report
21 to the commission, and the commission shall promptly mail or otherwise
22 deliver a copy of each report filed pursuant to this section to all
23 participating candidates opposing the candidate identified in section 16-941,
24 subsection B, paragraph 2 or subsection D.

25 E. Any report filed pursuant to this section or section 16-916,
26 subsection A, paragraph 1 or subsection B shall be filed in electronic
27 format. The secretary of state shall distribute computer software to
28 political committees to accommodate such electronic filing.

29 F. During the primary election period and the general election period,
30 all candidates shall make available for public inspection all bank accounts,
31 campaign finance reports, and financial records relating to the candidate's
32 campaign, either by immediate disclosure through electronic means or at the
33 candidate's campaign headquarters, in accordance with rules adopted by the
34 commission.

35 Sec. 9. Subject to the requirements of article IV, part 1, section 1,
36 Constitution of Arizona, section 16-959, Arizona Revised Statutes, is amended
37 to read:

38 16-959. Inflationary and other adjustments of dollar values

39 A. Every two years, the secretary of state shall modify the dollar
40 values specified in the following parts of this article, in the manner
41 specified by section 16-905, subsection J, to account for inflation: section
42 16-941, subsection A, paragraph 2 or subsection D; section 16-942, subsection
43 B; ~~section 16-944;~~ section 16-945, subsection A, paragraphs 1 and 2; section
44 16-948, paragraph C; section 16-954, subsection B; section 16-955, subsection
45 G; and section 16-961, subsections G and H. In addition, the secretary of

1 state shall make a similar inflation adjustment by modifying the dollar
2 values in section 16-949, subsection A and section 16-954, subsection A to
3 the nearest dollar. In addition, every two years, the secretary of state
4 shall change the dollar values in section 16-961, subsections G and H in
5 proportion to the change in the number of Arizona resident personal income
6 tax returns filed during the previous calendar year.

7 B. Based on the results of the elections in the year 2002 or any
8 quadrennial election thereafter, and within six months after such election,
9 the commission may adopt rules in a public meeting reallocating funds
10 available to all candidates between the primary and general elections by
11 selecting a fraction for primary election spending limits that is between one
12 third and one half of the spending limits for the election as a whole. For
13 each office, the primary election spending limit shall be modified to be the
14 sum of the primary and general spending limits times the selected fraction,
15 and the general election spending limit shall be modified to be the same sum
16 times one less the selected fraction.

17 Sec. 10. Subject to the requirements of article IV, part 1, section 1,
18 Constitution of Arizona, section 16-961, Arizona Revised Statutes, is amended
19 to read:

20 16-961. Definitions

21 A. The terms "candidate's campaign committee," "contribution,"
22 "expenditures," "exploratory committee," "independent expenditure," "personal
23 monies," "political committee,"~~and~~ and "statewide office" are defined in
24 section 16-901.

25 B. 1. "Election cycle" means the period between successive general
26 elections for a particular office.

27 2. "Exploratory period" means the period beginning on the day after a
28 general election and ending the day before the start of the qualifying
29 period.

30 3. "Qualifying period" means the period beginning on the first day of
31 August in a year preceding an election, for an election for a statewide
32 office, or on the first day of January of an election year, for an election
33 for legislator, and ending seventy-five days before the day of the general
34 election.

35 4. "Primary election period" means the nine-week period ending on the
36 day of the primary election.

37 5. "General election period" means the period beginning on the day
38 after the primary election and ending on the day of the general election.

39 6. For any recall election, the qualifying period shall begin when the
40 election is called and last for thirty days, there shall be no primary
41 election period,~~and~~ and the general election period shall extend from the day
42 after the end of the qualifying period to the day of the recall
43 election. For recall elections, any reference to "general election" in this
44 article shall be treated as if referring to the recall election.

1 C. 1. "Participating candidate" means a candidate who becomes
2 certified as a participating candidate pursuant to section 16-947.

3 2. "Nonparticipating candidate" means a candidate who does not become
4 certified as a participating candidate pursuant to section 16-947.

5 3. Any limitation of this article that is applicable to a
6 participating candidate or a nonparticipating candidate shall also apply to
7 that candidate's campaign committee or exploratory committee.

8 D. "Commission" means the citizens clean elections commission
9 established pursuant to section 16-955.

10 E. "Fund" means the citizens clean ~~election~~ ELECTIONS fund defined by
11 this article.

12 F. 1. "Party nominee" means a person who has been nominated by a
13 political party pursuant to ~~sections~~ SECTION 16-301 or 16-343.

14 2. "Independent candidate" means a candidate who has properly filed
15 nominating papers and nominating petitions with signatures pursuant to
16 section 16-341.

17 3. "Unopposed," MEANS with reference to an election for:

18 (a) A member of the house of representatives, ~~means~~ opposed by no more
19 than one other candidate RUNNING IN THE SAME DISTRICT.

20 (b) ALL OTHER OFFICES, OPPOSED BY NO OTHER CANDIDATE RUNNING IN THAT
21 DISTRICT OR RUNNING FOR THAT SAME OFFICE AND TERM.

22 G. "Primary election spending limits" means:

23 1. For a candidate for THE legislature, ten thousand dollars.

24 2. For A candidate for mine inspector, ~~twenty~~ THIRTY-TWO thousand
25 dollars.

26 3. For a candidate for treasurer, superintendent of public
27 instruction, or THE corporation commission, ~~forty~~ SIXTY-FOUR thousand
28 dollars.

29 4. For a candidate for secretary of state or attorney general, ~~eighty~~
30 ONE HUNDRED TWENTY-EIGHT thousand dollars.

31 5. For a candidate for governor, ~~three hundred eighty~~ FOUR HUNDRED
32 NINETY-FOUR thousand dollars.

33 H. "General election spending limits" means amounts fifty ~~percent~~ PER
34 CENT greater than the amounts specified in subsection G of this section.

35 I. 1. "Original" spending limit means a limit specified in
36 subsections G and H of this section, as adjusted pursuant to section 16-959,
37 or a special amount expressly set for a particular candidate by a provision
38 of this title.

39 2. "Adjusted" spending limit means an original spending limit as
40 further adjusted to account for reported overages pursuant to section 16-952.

41 Sec. 11. Legislative declaration; furthering the purpose

42 The legislature hereby finds and declares that the provisions of this
43 act further the purposes of the citizens clean sections act adopted by 1998
44 proposition 200 and enacted into law in title 16, chapter 6, article 2,

1 Arizona Revised Statutes, and that this act fully complies with the
2 requirements of article IV, part 1, section 1, Constitution of Arizona.

3 Sec. 12. Requirements for enactment; three-fourths vote

4 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
5 sections 16-941, 16-952, 16-955, 16-956, 16-958, 16-959 and 16-961, Arizona
6 Revised Statutes, as amended by this act, and section 4 of this act are
7 effective only on the affirmative vote of at least three-fourths of the
8 members of each house of the legislature.